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# Program Memorandum Intermediaries/Carriers

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal AB-01-22

Date: FEBRUARY 2, 2001

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## CHANGE REQUEST 1542

### **SUBJECT: 2001 Payment Limit Update for Ambulance Services**

The purpose of this Program Memorandum (PM) is to furnish you with the payment limit for ambulance services effective for services furnished on or after July 1, 2001. This PM supersedes PM AB-00-87 for services furnished during the time period July 1, 2001, through December 31, 2001. This change is required by §423 of the Benefits Improvement and Protection Act (BIPA) of 2000.

#### **Ambulance Services Update Factor - Reasonable Charges**

For services furnished during the period January 1, 2001, through June 30, 2001, the 2001 inflation indexed charge (IIC) update factor for ambulance services (also known as the ambulance inflation factor) paid under reasonable charges **remains at 2.7 percent** (as stated in PM AB-00-87). Therefore, calculate the 2001 reasonable charge screen amount for ambulance services furnished during this period by increasing the 2000 reasonable charge screen amount by 2.7 percent.

For services furnished during the period July 1, 2001, through December 31, 2001, the reasonable charge update factor applicable to ambulance services is **4.7 percent**. Therefore, calculate the 2001 reasonable charge screen amount for ambulance services furnished during this period by increasing the 2000 reasonable charge screen amount by 4.7 percent. (NOTE: This 4.7 percent increase is applied to the 2000 reasonable charge screen amount, **not** to the 2001 reasonable charge screen amount described in the previous paragraph.)

#### **Ambulance Services Update Factor - Reasonable Cost**

For services furnished during the period January 1, 2001, through June 30, 2001, the 2001 update factor for ambulance services paid under reasonable cost **remains at 2.7 percent** (as stated in PM AB-00-87). Therefore, limit the reasonable cost per trip reimbursement for ambulance services furnished during this period to no more than the reasonable cost per trip limit for services furnished in fiscal year 2000 updated by 2.7 percent.

For services furnished during the period July 1, 2001, through December 31, 2001, the reasonable cost per trip update factor is **4.7 percent**. Therefore, limit the reasonable cost per trip reimbursement for ambulance services furnished during this period to no more than the reasonable cost per trip limit for services furnished in fiscal year 2000 increased by 4.7 percent. (NOTE: This 4.7 percent increase is applied to the 2000 reasonable cost limit amount, **not** to the 2001 reasonable cost limit amount.)

**The effective date for this PM is July 1, 2001.**

**The implementation date for this PM is July 1, 2001.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after December 31, 2002.**

**If you have any questions, contact Glenn McGuirk at (410) 786-5723.**

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